

ORIGINAL

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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U.S. DEPT. OF COMMERCE  
OFFICE OF THE SECRETARY

MAILING ONLINE SERVICE

Docket No. MC98-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS LIM TO INTERROGATORIES OF  
PITNEY BOWES, INC.  
(PB/USPS-ST9-1-2)

The United States Postal Service hereby provides the responses of witness Lim to the following interrogatories of Pitney Bowes, Inc.: PB/USPS-ST9-1-2, filed on January 22, 1999.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

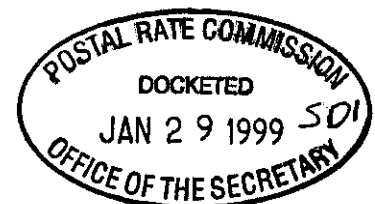
By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

David H. Rubin

David H. Rubin

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2986; Fax -5402  
January 29, 1999



**RESPONSE OF POSTAL SERVICE WITNESS LIM TO  
INTERROGATORY OF PITNEY BOWES**

**PB/USPS-ST-9-1.** At some places in the calculation of MOL extended costs in Exhibits A-G to your testimony a ratio of less than 100% is applied (e.g., Exhibit B, line 31). Please explain how each of the ratios of less than 100% was derived and produce all work papers calculating or displaying those ratios.

**RESPONSE:**

The reasoning and derivations of the ratios applied are described in Section III (Methodology), on pages 3 through 6 of my testimony.

**RESPONSE OF POSTAL SERVICE WITNESS LIM TO  
INTERROGATORY OF PITNEY BOWES**

**PB/USPS-ST-9-2.** A comparison of the total information technology costs displayed in Tables 1, 2 and 5 of your testimony with the sum of one-time and variable information system costs reported in Tables 14 and 15 (as revised July 23, 1998) to Mr. Seckar's testimony shows an increase in information service costs from \$5,874,836 to \$22,507,966. Please confirm that these are comparable numbers. If you can not confirm, please explain why not. Please describe all changes in the operation of the MOL offering that resulted in this cost change.

**RESPONSE:**

Not confirmed. It is unclear what exactly is meant by 'comparable' in the above question. Assuming that 'comparable numbers' means that the Information Technology costs reflect the same cost components, but at different quantities or prices, then the numbers are not 'comparable'. The methodology used to derive the Information Technology costs includes various costs considered shared with the POL program. In addition, the architecture components of the systems have changed. The fundamental operations of MOL remain essentially the same.

## DECLARATION

I, Chong Bum Lim, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

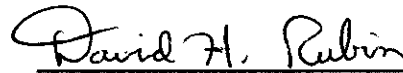


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Dated: JANUARY 29, 1999

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

  
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David H. Rubin

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